

# Directors' Statement

For the financial year ended 31 March 2018

The Directors present their statement to the members together with the audited financial statements of the Company ("**Singtel**") and its subsidiaries (the "**Group**") for the financial year ended 31 March 2018.

In the opinion of the Directors,

- (a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 145 to 249 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2018, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## 1. DIRECTORS

The Directors of the Company in office at the date of this statement are -

Simon Claude Israel (Chairman)  
Chua Sock Koong (Group Chief Executive Officer)  
Gautam Banerjee (appointed on 1 March 2018)  
Bobby Chin Yoke Choong  
Venkataraman Vishnampet Ganesan  
Christina Hon Kwee Fong (Christina Ong)  
Low Check Kian  
Peter Edward Mason AM <sup>(1)</sup>  
Peter Ong Boon Kwee  
Teo Swee Lian

**Note:**

<sup>(1)</sup> Member of the Order of Australia

## 2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except for performance shares granted under the Singtel Performance Share Plan 2012 (the "**Singtel PSP 2012**") and share options granted by Amobee Group Pte. Ltd. ("**Amobee**").



# Directors' Statement

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## 3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The interests of the Directors holding office at the end of the financial year in the share capital of the Company and related corporations according to the register of Directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act were as follows –

|  | Holdings registered in the name of Director or nominee |  | Holdings in which Director is deemed to have an interest |  |
|--|--|--|--|--|
|  | At 31 March 2018                                       | At 1 April 2017 or date of appointment, if later | At 31 March 2018   | At 1 April 2017 or date of appointment, if later |
| <b><i>The Company</i></b>                            |  |  |  |  |
| <b><u>Singapore Telecommunications Limited</u></b>   |  |  |  |  |
| <b>(Ordinary shares)</b>                             |  |  |  |  |
| Simon Claude Israel                                  | 919,961 <sup>(1)</sup>                                 | 836,275  | 1,360 <sup>(2)</sup>                                     | 1,360  |
| Chua Sock Koong                                      | 7,540,668 <sup>(3)</sup>                               | 7,034,926  | 4,852,449 <sup>(4)</sup>                                 | 5,156,191  |
| Gautam Banerjee                                      | -  | -  | -  | -  |
| Bobby Chin Yoke Choong                               | -  | -  | -  | -  |
| Low Check Kian                                       | 1,490  | 1,490  | -  | -  |
| Peter Edward Mason AM                                | 50,000 <sup>(5)</sup>                                  | 50,000   | -  | -  |
| Christina Ong  | -  | -  | -  | -  |
| Peter Ong Boon Kwee                                  | 870  | 870  | 1,537 <sup>(2)</sup>                                     | 1,537  |
| Teo Swee Lian  | 1,550  | 1,550  | -  | -  |
| <b>(American Depositary Shares)</b>                  |  |  |  |  |
| Venkataraman Vishnampet Ganesan                      | 3,341.45 <sup>(6)</sup>                                | 3,341.45   | -  | -  |
| <b><i>Subsidiary Corporations</i></b>                |  |  |  |  |
| <b><u>Amobee Group Pte. Ltd.</u></b>                 |  |  |  |  |
| <b>(Options to subscribe for ordinary shares)</b>    |  |  |  |  |
| Venkataraman Vishnampet Ganesan                      | 750,718  | 750,718  | -  | -  |
| <b><u>Optus Finance Pty Limited</u></b>              |  |  |  |  |
| <b>(A\$250,000,000 4% fixed rate notes due 2022)</b> |  |  |  |  |
| Simon Claude Israel                                  | A\$1,600,000 <sup>(7)</sup><br>(principal amount)      | A\$1,600,000<br>(principal amount)               | -  | -  |



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For the financial year ended 31 March 2018

## 3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (Cont'd)

|  | Holdings registered in the name of Director or nominee |  | Holdings in which Director is deemed to have an interest |  |
|--|--|--|--|--|
|  | At 31 March 2018                                       | At 1 April 2017 or date of appointment, if later | At 31 March 2018   | At 1 April 2017 or date of appointment, if later |
| <b><i>Related Corporations</i></b>                                     |  |  |  |  |
| <b><u>Ascendas Funds Management (S) Limited</u></b>                    |  |  |  |  |
| <b>(Unit holdings in Ascendas Real Estate Investment Trust)</b>        |  |  |  |  |
| Simon Claude Israel  | 1,000,000 <sup>(8)</sup>                               | 1,000,000  | -  | -  |
| Chua Sock Koong  | 142,000  | 142,000  | -  | -  |
| Gautam Banerjee  | 20,000   | 20,000   | -  | -  |
| <b><u>Ascendas Property Fund Trustee Pte. Ltd.</u></b>                 |  |  |  |  |
| <b>(Unit holdings in Ascendas India Trust)</b>                         |  |  |  |  |
| Gautam Banerjee  | 120,000  | 120,000  | -  | -  |
| <b><u>Mapletree Commercial Trust Management Ltd.</u></b>               |  |  |  |  |
| <b>(Unit holdings in Mapletree Commercial Trust)</b>                   |  |  |  |  |
| Simon Claude Israel  | 4,043,520 <sup>(7)</sup>                               | 4,043,520  | -  | -  |
| Bobby Chin Yoke Choong   | -  | -  | 117,000 <sup>(2)</sup>                                   | 117,000  |
| <b><u>Mapletree Greater China Commercial Trust Management Ltd.</u></b> |  |  |  |  |
| <b>(Unit holdings in Mapletree Greater China Commercial Trust)</b>     |  |  |  |  |
| Simon Claude Israel  | 1,000,000 <sup>(7)</sup>                               | 1,000,000  | -  | -  |
| Chua Sock Koong  | 430,000  | 430,000  | 50,000 <sup>(2)</sup>                                    | 50,000   |
| Peter Ong Boon Kwee  | -  | -  | 32,000 <sup>(2)</sup>                                    | 32,000   |
| <b><u>Mapletree Industrial Trust Management Ltd.</u></b>               |  |  |  |  |
| <b>(Unit holdings in Mapletree Industrial Trust)</b>                   |  |  |  |  |
| Simon Claude Israel  | 990,160 <sup>(7)</sup>                                 | 990,160  | -  | -  |
| Chua Sock Koong  | 11,000   | 11,000   | -  | -  |
| Bobby Chin Yoke Choong   | 129,600  | 129,600  | -  | -  |
| <b><u>Mapletree Logistics Trust Management Ltd.</u></b>                |  |  |  |  |
| <b>(Unit holdings in Mapletree Logistics Trust)</b>                    |  |  |  |  |
| Simon Claude Israel  | 1,100,000 <sup>(7)</sup>                               | 1,000,000  | -  | -  |
| <b><u>Mapletree Treasury Services Limited</u></b>                      |  |  |  |  |
| <b>(\$625,500,000 4.5% perpetual capital securities)</b>               |  |  |  |  |
| Simon Claude Israel  | S\$500,000<br>(principal amount)                       | S\$500,000<br>(principal amount)                 | -  | -  |



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For the financial year ended 31 March 2018

## 3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (Cont'd)

|  | Holdings registered in the name of Director or nominee |  | Holdings in which Director is deemed to have an interest |  |
|--|--|--|--|--|
|  | At 31 March 2018                                       | At 1 April 2017 or date of appointment, if later | At 31 March 2018   | At 1 April 2017 or date of appointment, if later |
| <b><u>Olam International Limited</u></b>                 |  |  |  |  |
| <b>(Ordinary shares)</b>                                 |  |  |  |  |
| Low Check Kian   | 500,000  | -  | 2,074,518 <sup>(9)</sup>                                 | -  |
| <b><u>Singapore Airlines Limited</u></b>                 |  |  |  |  |
| <b>(Ordinary shares)</b>                                 |  |  |  |  |
| Simon Claude Israel                                      | 9,000 <sup>(10)</sup>                                  | 9,000  | -  | -  |
| Chua Sock Koong  | 2,000  | 2,000  | -  | -  |
| Bobby Chin Yoke Choong                                   | -  | -  | 2,000 <sup>(2)</sup>                                     | 2,000  |
| Low Check Kian   | 5,600  | 77,550   | -  | -  |
| <b><u>Singapore Technologies Engineering Limited</u></b> |  |  |  |  |
| <b>(Ordinary shares)</b>                                 |  |  |  |  |
| Christina Ong  | 1  | 1  | -  | -  |

### Notes:

- <sup>(1)</sup> 915,550 ordinary shares held in the name of Citibank Nominees Singapore Pte Ltd and 4,411 ordinary shares held in the name of DBS Nominees (Private) Limited.
- <sup>(2)</sup> Held by Director's spouse.
- <sup>(3)</sup> 688,750 ordinary shares held in the name of DBS Nominees (Private) Limited.
- <sup>(4)</sup> Ms Chua Sock Koong's deemed interest of 4,852,449 shares included:
- (a) 28,137 ordinary shares held by Ms Chua's spouse; and
- (b) An aggregate of up to 4,824,312 ordinary shares in Singtel awarded to Ms Chua pursuant to the Singtel PSP 2012, subject to certain performance criteria being met and other terms and conditions. Depending on the extent of the satisfaction of the relevant minimum performance criteria, up to an aggregate of 7,209,150 ordinary shares may be released pursuant to the conditional awards granted.
- According to the Register of Directors' Shareholdings, Ms Chua had a deemed interest in 10,836,742 shares held by DBS Trustee Limited, the trustee of a trust established for the purposes of the Singtel Performance Share Plan and the Singtel PSP 2012 for the benefit of eligible employees of the Group, as at 19 November 2012, being the date on which the Securities and Futures (Disclosure of Interests) Regulations 2012 (the "SFA (DOI) Regulations") came into operation. Under regulation 6 of the SFA (DOI) Regulations, Ms Chua is exempted from reporting interests, and changes in interests, in shares held by the trust, with effect from 19 November 2012.
- <sup>(5)</sup> Held (through custodians) by Burgoyne Investments Pty Ltd as trustee for Burgoyne Superannuation Fund. Both Mr Peter Edward Mason AM and spouse are directors of Burgoyne Investments Pty Ltd and beneficiaries of Burgoyne Superannuation Fund.
- <sup>(6)</sup> 1 American Depositary Share represents 10 ordinary shares in Singtel.
- <sup>(7)</sup> Held in the name of Citibank Nominees Singapore Pte Ltd.
- <sup>(8)</sup> 100,000 units held jointly by Mr Israel and his spouse, and 900,000 units held in the name of Citibank Nominees Singapore Pte Ltd.
- <sup>(9)</sup> Held by Cluny Capital Limited. Mr Low Check Kian is the sole shareholder of Cluny Capital Limited.
- <sup>(10)</sup> 6,200 ordinary shares held in the name of Citibank Nominees Singapore Pte Ltd and 2,800 ordinary shares held in the name of DBS Nominees (Private) Limited.

According to the register of Directors' shareholdings, there were no changes to any of the above-mentioned interests between the end of the financial year and 21 April 2018.



# Directors' Statement

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## 4. PERFORMANCE SHARES

The Executive Resource and Compensation Committee (“**ERCC**”) is responsible for administering the Singtel PSP 2012. At the date of this statement, the members of the ERCC are Peter Edward Mason AM (Chairman of the ERCC), Simon Claude Israel and Teo Swee Lian.

At the Extraordinary General Meeting held on 27 July 2012, the shareholders approved the adoption of the Singtel PSP 2012. The duration of the Singtel PSP 2012 is 10 years commencing 27 July 2012. This plan gives the flexibility to either allot and issue and deliver new Singtel shares or purchase and deliver existing Singtel shares upon the vesting of awards.

The participants of the Singtel PSP 2012 will receive fully paid Singtel shares free of charge, the equivalent in cash, or combinations thereof, provided that certain prescribed performance targets are met within a prescribed performance period. The performance period for the awards granted is three years, except for Restricted Share Awards which have a performance period of two years. The number of Singtel shares that will vest for each participant or category of participants will be determined at the end of the performance period based on the level of attainment of the performance targets.

Awards comprising an aggregate of 70.6 million shares have been granted under the Singtel PSP 2012 from its commencement to 31 March 2018.

Performance share awards granted, vested and cancelled during the financial year, and share awards outstanding at the end of the financial year, were as follows –

| Date of grant | Balance<br>as at<br>1 April 2017<br>(‘000) | Share<br>awards<br>granted<br>(‘000) | Additional<br>share awards<br>from targets<br>exceeded<br>(‘000) | Share<br>awards<br>vested<br>(‘000) | Share<br>awards<br>cancelled<br>(‘000) | Balance<br>as at<br>31 March 2018<br>(‘000) |
|---------------|--|--------------------------------------|--|-------------------------------------|--|---|
|---------------|--|--------------------------------------|--|-------------------------------------|--|---|

### Share award for Chairman

(Simon Claude Israel)

|          |   |    |   |      |   |   |
|----------|---|----|---|------|---|---|
| 16.08.17 | - | 84 | - | (84) | - | - |
|----------|---|----|---|------|---|---|

### Performance shares

(Restricted Share Awards)

For Group Chief Executive Officer

(Chua Sock Koong)

|          |     |     |    |       |   |     |
|----------|-----|-----|----|-------|---|-----|
| 23.06.14 | 66  | -   | -  | (66)  | - | -   |
| 17.06.15 | 84  | -   | 26 | (55)  | - | 55  |
| 20.06.16 | 201 | -   | -  | -     | - | 201 |
| 19.06.17 | -   | 383 | -  | -     | - | 383 |
|          | 351 | 383 | 26 | (121) | - | 639 |



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For the financial year ended 31 March 2018

## 4. PERFORMANCE SHARES *(Cont'd)*

| Date of grant          | Balance<br>as at<br>1 April 2017<br>('000) | Share<br>awards<br>granted<br>('000) | Additional<br>share awards<br>from targets<br>exceeded<br>('000) | Share<br>awards<br>vested<br>('000) | Share<br>awards<br>cancelled<br>('000) | Balance<br>as at<br>31 March 2018<br>('000) |
|------------------------|--|--------------------------------------|--|-------------------------------------|--|---|
| <b>For other staff</b> |  |                                      |  |                                     |  |   |
| 23.06.14               | 2,641                                      | -                                    | -  | (2,624)                             | (17)                                   | -   |
| 17.09.14               | 7  | -                                    | -  | (7)                                 | -                                      | -   |
| 23.12.14               | 2  | -                                    | -  | (2)                                 | -                                      | -   |
| 17.06.15               | 3,595                                      | -                                    | 1,068  | (2,351)                             | (180)                                  | 2,132                                       |
| 28.09.15               | 23   | -                                    | 7  | (15)                                | -                                      | 15  |
| 05.01.16               | 7  | -                                    | 3  | (5)                                 | -                                      | 5   |
| 20.06.16               | 5,118                                      | -                                    | 1  | (67)                                | (342)                                  | 4,710                                       |
| 20.03.17               | 87   | -                                    | -  | (67)                                | -                                      | 20  |
| 19.06.17               | -  | 7,318                                | -  | (15)                                | (393)                                  | 6,910                                       |
| 21.09.17               | -  | 87                                   | -  | -                                   | -                                      | 87  |
| 18.12.17               | -  | 77                                   | -  | -                                   | -                                      | 77  |
| 14.03.18               | -  | 150                                  | -  | -                                   | -                                      | 150   |
|                        | 11,480                                     | 7,632                                | 1,079  | (5,153)                             | (932)                                  | 14,106                                      |
| <i>Sub-total</i>       | <b>11,831</b>                              | <b>8,015</b>                         | <b>1,105</b>   | <b>(5,274)</b>                      | <b>(932)</b>                           | <b>14,745</b>                               |

### Performance shares

#### (Performance Share Awards)

#### For Group Chief Executive Officer

#### (Chua Sock Koong)

|          |       |     |   |       |         |       |
|----------|-------|-----|---|-------|---------|-------|
| 23.06.14 | 1,423 | -   | - | (235) | (1,188) | -     |
| 17.06.15 | 1,659 | -   | - | -     | -       | 1,659 |
| 20.06.16 | 1,695 | -   | - | -     | -       | 1,695 |
| 19.06.17 | -     | 832 | - | -     | -       | 832   |
|          | 4,777 | 832 | - | (235) | (1,188) | 4,186 |



# Directors' Statement

For the financial year ended 31 March 2018

## 4. PERFORMANCE SHARES (Cont'd)

| Date of grant          | Balance<br>as at<br>1 April 2017<br>(‘000) | Share<br>awards<br>granted<br>(‘000) | Additional<br>share awards<br>from targets<br>exceeded<br>(‘000) | Share<br>awards<br>vested<br>(‘000) | Share<br>awards<br>cancelled<br>(‘000) | Balance<br>as at<br>31 March 2018<br>(‘000) |
|------------------------|--|--------------------------------------|--|-------------------------------------|--|---|
| <b>For other staff</b> |  |                                      |  |                                     |  |   |
| 23.06.14               | 6,524                                      | -                                    | -  | (1,050)                             | (5,474)                                | -   |
| 17.09.14               | 15   | -                                    | -  | (2)                                 | (13)                                   | -   |
| 23.12.14               | 6  | -                                    | -  | (1)                                 | (5)                                    | -   |
| 17.06.15               | 7,317                                      | -                                    | -  | -                                   | (447)                                  | 6,870                                       |
| 28.09.15               | 125  | -                                    | -  | -                                   | -                                      | 125   |
| 05.01.16               | 32   | -                                    | -  | -                                   | -                                      | 32  |
| 20.06.16               | 7,373                                      | -                                    | -  | -                                   | (417)                                  | 6,956                                       |
| 20.03.17               | 91   | -                                    | -  | -                                   | -                                      | 91  |
| 19.06.17               | -  | 3,972                                | -  | -                                   | (75)                                   | 3,897                                       |
| 21.09.17               | -  | 24                                   | -  | -                                   | -                                      | 24  |
| 18.12.17               | -  | 53                                   | -  | -                                   | -                                      | 53  |
| 14.03.18               | -  | 79                                   | -  | -                                   | -                                      | 79  |
|                        | 21,483                                     | 4,128                                | -  | (1,053)                             | (6,431)                                | 18,127                                      |
| <b>Sub-total</b>       | <b>26,260</b>                              | <b>4,960</b>                         | <b>-</b>   | <b>(1,288)</b>                      | <b>(7,619)</b>                         | <b>22,313</b>                               |
| <b>Total</b>           | <b>38,091</b>                              | <b>13,059</b>                        | <b>1,105</b>   | <b>(6,646)</b>                      | <b>(8,551)</b>                         | <b>37,058</b>                               |

During the financial year, awards in respect of an aggregate of 6.6 million shares granted under the Singtel PSP 2012 were vested. The awards were satisfied in part by the delivery of existing shares purchased from the market and in part by the payment of cash in lieu of delivery of shares, as permitted under the Singtel PSP 2012.

As at 31 March 2018, no participant has received shares pursuant to the vesting of awards granted under the Singtel PSP 2012 which, in aggregate, represents five per cent or more of the aggregate of -

- (i) the total number of new shares available under the Singtel PSP 2012; and
- (ii) the total number of existing shares purchased for delivery of awards released under the Singtel PSP 2012.



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## 5. SHARE OPTION PLANS

During the financial year, there were:

- (a) no options granted by the Company to any person to take up unissued shares of the Company; and
- (b) no shares issued by virtue of any exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

The particulars of the share option plans of subsidiary corporations of the Company are as follows:

### **Amobee Group Pte. Ltd.**

In April 2015, Amobee, a wholly-owned subsidiary corporation of the Company, implemented the 2015 Long-Term Incentive Plan ("**Amobee LTI Plan**"). Under the terms of Amobee LTI Plan, options to purchase ordinary shares of Amobee may be granted to employees (including executive directors) and non-executive directors of Amobee and/or any of its subsidiaries.

Options are exercisable at a price no less than 100% of the fair value of the ordinary shares of Amobee on the date of grant.

From 1 April 2017 to 31 March 2018, options in respect of an aggregate of 43.8 million of ordinary shares in Amobee have been granted to the employees and non-executive directors of Amobee and/or its subsidiaries. As at 31 March 2018, options in respect of an aggregate of 63.1 million of ordinary shares in Amobee are outstanding.

The grant dates and exercise prices of the share options were as follows –

| <b>Date of grant</b>  | <b>Exercise price</b> |
|---|-----------------------|
| <b><u>For employees</u></b>   |                       |
| 13 April 2015, 14 October 2015  | US\$0.54 to US\$0.79  |
| 20 January 2016, 10 May 2016, 23 June 2016, 24 August 2016, 25 January 2017, 19 July 2017, 18 August 2017, 12 September 2017, 25 January 2018 | US\$0.54              |
| <b><u>For non-executive directors</u></b>   |                       |
| 14 October 2015   | US\$0.54              |

The options granted to employees and non-executive directors expire 10 years and 5 years from the date of grant respectively.

No ordinary shares of Amobee were issued during the financial year pursuant to the exercise of options granted under the Amobee LTI Plan. The persons to whom the options have been granted do not have the right to participate, by virtue of the options, in any share issue of any other company.

### **Trustwave Holdings, Inc.**

In December 2015, Trustwave Holdings, Inc. ("**Trustwave**"), a 98%-owned subsidiary corporation of the Company, implemented the Stock Option Incentive Plan ("**Trustwave ESOP**"). Under the terms of the Trustwave ESOP, options to purchase common stock of Trustwave may be granted to employees (including executive directors) and non-executive directors of Trustwave and/or any of its subsidiaries.

Options are exercisable at a price no less than 100% of the fair value of the common stock of Trustwave on the date of grant.



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## 5. SHARE OPTION PLANS (Cont'd)

From 1 April 2017 to 31 March 2018, options in respect of an aggregate of 0.4 million of common stock in Trustwave have been granted to the employees of Trustwave and/or its subsidiaries. As at 31 March 2018, options in respect of an aggregate of 2.4 million of common stock in Trustwave are outstanding.

The grant dates and exercise prices of the stock options were as follows –

| Date of grant  | Exercise price |
|--|----------------|
| 1 December 2015, 22 January 2016, 19 May 2016, 12 September 2016 | US\$16.79      |
| 20 January 2017  | US\$16.24      |
| 15 March 2018  | US\$15.37      |

The options granted expire 10 years from the date of grant.

No common stock of Trustwave was issued during the financial year pursuant to the exercise of options granted under the Trustwave ESOP. The persons to whom the options have been granted do not have the right to participate, by virtue of the options, in any share issue of any other company.

### **HOOQ**

In December 2015, HOOQ Digital Pte. Ltd. ("**HOOQ**"), a 65%-owned subsidiary corporation of the Company, implemented the HOOQ Digital Employee Share Option Scheme ("the **Scheme**"). Under the terms of the Scheme, options to purchase ordinary shares of HOOQ may be granted to employees (including executive directors) of HOOQ and/or any of its subsidiaries.

Options are exercisable at a price no less than 100% of the fair value of the ordinary shares of HOOQ on the date of grant.

From 1 April 2017 to 31 March 2018, options in respect of an aggregate of 14.0 million of ordinary shares in HOOQ have been granted to the employees of HOOQ and/or its subsidiaries. As at 31 March 2018, options in respect of an aggregate of 42.8 million of ordinary shares in HOOQ are outstanding.

The grant dates and exercise prices of the stock options were as follows –

| Date of grant  | Exercise price |
|--|----------------|
| 16 May 2016, 24 April 2017, 2 May 2017, 31 July 2017, 8 September 2017, 23 October 2017, 10 January 2018 | US\$0.07       |

The options granted expire 10 years from the date of grant.

No ordinary shares of HOOQ were issued during the financial year pursuant to the exercise of options granted under the Scheme. The persons to whom the options have been granted do not have the right to participate, by virtue of the options, in any share issue of any other company.



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## 6. AUDIT COMMITTEE

At the date of this statement, the Audit Committee comprises the following members, all of whom are non-executive and the majority of whom, including the Chairman, are independent -

Bobby Chin Yoke Choong (Chairman of the Audit Committee)  
Gautam Banerjee (appointed on 1 March 2018)  
Christina Hon Kwee Fong (Christina Ong)  
Peter Ong Boon Kwee

Teo Swee Lian, who served during the financial year, stepped down as a member of the Audit Committee on 1 March 2018.

The Audit Committee carried out its functions in accordance with Section 201B of the Singapore Companies Act, Chapter 50.

In performing its functions, the Committee reviewed the overall scope and results of both internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal auditors to discuss the results of the respective examinations and their evaluation of the Company's system of internal accounting controls. The Committee also held discussions with the internal and external auditors and is satisfied that the processes put in place by management provide reasonable assurance on mitigation of fraud risk exposure to the Group.

The Committee also reviewed the financial statements of the Company and the Group, as well as the Independent Auditor's Report thereon. In the review of the financial statements of the Company and the Group, the Committee had discussed with management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements.

In addition, the Committee had, with the assistance of the internal auditors, reviewed the procedures set up by the Company and the Group to identify and report, and where necessary, sought appropriate approval for interested person transactions.

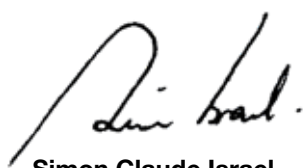
The Committee has full access to and has the co-operation of management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Committee has made its recommendations to the Board of Directors and the Board of Directors is satisfied with the proposed appointment of KPMG LLP as external auditor of the Company in place of the retiring auditor, Deloitte & Touche LLP, at the forthcoming 2018 Annual General Meeting.

## 7. AUDITOR

The retiring auditor, Deloitte & Touche LLP, will not be seeking re-appointment at the forthcoming Annual General Meeting. KPMG LLP has expressed its willingness to accept appointment as auditor.

On behalf of the Directors



**Simon Claude Israel**  
Chairman



**Chua Sock Koong**  
Director

Singapore  
16 May 2018